

FINAL BILL REPORT

SSB 5009

C 50 L 09

Synopsis as Enacted

Brief Description: Creating a military service exemption for benefits charged to the experience rating accounts of employers.

Sponsors: Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Marr, Swecker, Hobbs, King, Sheldon, Kilmer, Ranker, Berkey, Haugen, Kauffman, Rockefeller, Hatfield, McAuliffe, Shin and Roach).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Generally, unemployment insurance (UI) benefits paid to unemployed workers are charged to the former employer. Any charges against an employer are figured into the employer's experience rated tax. Some UI benefits, however, are not charged to the former employer. UI benefits not charged to a specific employer are socialized among all employers. The social tax component of an employer's total state unemployment tax covers the social costs.

Certain UI benefits are automatically not charged to an employer, and the Commissioner of the Employment Security Department has the discretion to grant requesting employers relief from other UI benefit charges. The Commissioner has discretion to grant benefit charge relief if the benefit charge results from a payment to an individual who left employment voluntarily for reasons not attributable to the employer; the individual was discharged for work connected misconduct; the individual is unemployed because the work location was closed or scaled back due to a natural disaster or catastrophe; or the individual continues working as a permanent part-time employee for the employer and separated from concurrent employment with a different employer at some time during the base year.

Members of the military reserves and the National Guard who are called to active duty enjoy reemployment rights under state and federal law. An individual seeking reemployment must apply for or return to work within a specified time, depending on the individual's period of service.

Summary: The Commissioner has discretion to grant benefit charge relief to an employer if the benefit charge results from a payment to an individual who was (1) hired to replace an employee who is a member of the military reserves or National Guard and was called to

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federal active military service by the President, and (2) is subsequently laid off when the military employee returns to work within the time provided for in the state service reemployment statute.

Votes on Final Passage:

Senate 47 0

House 97 0

Effective: July 26, 2009